

The Promise of E15 for Rural States

By Stephanie Herseth Sandlin

The recent announcement that E15 has been approved for use in 43 million vehicles on the road was a long overdue but welcome decision that will benefit South Dakota producers by beginning to expand markets for ethanol across the nation. Equally crucial is the expected approval later this year of E15 for vehicle model years 2001 to 2006, which would then cover a substantial number of the vehicles on our nation's roads.

South Dakota is already leading the way in the production and use of renewable biofuels, and approval of E15 not only gives consumers greater choice at the pump, but keeps our nation on track to promote economic development and jobs in rural states like South Dakota and cut our dependence on foreign oil.

Beginning in 2009, I led the bipartisan effort in House of Representatives to win approval of the E15 waiver. I joined with Representative John Shimkus of Illinois and gathered a bipartisan coalition of House members to fight for the approval of higher blends of ethanol for cars and trucks. Our bipartisan coalition wrote to the EPA urging it to approve E15.

When agricultural producers and other advocates for E15 faced delays in winning EPA's approval, first in December 2009 and again in June, I worked with ethanol producers, called EPA to account, and told it to either lead, follow or get out of the way. Soon after the second delay was announced, I convened a meeting with the federal officials charged with the decision on E15 -- Department of Energy Assistant Secretary Cathy Zoi, whose office handles the vehicle testing, and EPA Assistant Administrator Gina McCarthy, whose office reviews the testing results and oversees the decision. At our meeting, I expressed concerns over the continued delays, urged reliance on the science showing E15's compatibility, and urged quick approval of E15. They assured me that a decision on 2007 and later vehicles would be made in

the fall of 2010 and a decision on 2001 to 2006 vehicles would be made later in 2010. With the decision on E15 for 2007 and later vehicles now announced, I'm optimistic that the agencies will stay on track to approve E15 for 2001 to 2006 vehicles later this year. That will open up the E15 market to an estimated 86 million more cars.

While we work to maintain and increase access to markets for ethanol over the next few years, it's important for Congress to enact new policies this year that will allow corn ethanol to compete more fairly with petroleum. To achieve those goals, we need to rapidly ramp up the number of flex fuel vehicles (FFVs), increase incentives for installing blender pumps, and move towards dedicated ethanol pipelines. I have introduced and cosponsored legislation that would help to achieve each of these goals, including the Consumer Vehicle Choice Act, the Consumer Fuels Choice Act, and the E85 and Biodiesel Access Act.

My bill, the Consumer Vehicle Choice Act, would require that 50 percent of cars and light duty trucks in model years 2011 and 2012 be FFVs, and that percentage rises to 90 percent in model year 2013 and years after. The Consumer Fuels Choice Act would provide grants to defray the cost of installing blender pumps at service stations around the nation. The E85 and Biodiesel Access Act would streamline the process and provides greater tax credit incentives for service station owners to install equipment to dispense E85, biodiesel, and mid-level blends.

I've also introduced the Advanced Biofuel Investment Act which would create a 30% Investment Tax Credit for advanced biorefineries that is monetizable through a grant program, and would cover modular technologies that can be bolted onto existing ethanol plants.

Working together, we are building on South Dakota's leadership in the biofuels industry, giving greater choice to consumers, creating jobs in rural states, and reducing our nation's foreign oil dependency. It's a win all around.